

## **SIGNS OF FINANCIAL ABUSE OF ELDERLY**

It's been said many times that older people are frequent targets of financial scams aimed at bilking them out of their life savings. The most common scams aimed at the elderly are charities, investments, and home repair.

When someone is slowing down mentally; is recently widowed and whose spouse handled the finances; is physically, emotionally, and psychologically dependent on someone; or lives alone and has few friends; he or she may be susceptible to a lesser known crime -- financial abuse of the elderly. As our population ages, this problem will rapidly affect even greater numbers.

Financial abuse is the theft or conversion of money or other property by caregivers, relatives, or other people the person trusts. Financial abuse can take many forms. For instance, title to the older person's home or other assets is transferred to the abuser and then sold. Funds from checking, savings, and investment accounts are withdrawn without authorization. Wills are changed through intimidation. Loans are taken out and the funds given to the abuser. Checks are signed over to the abuser, who cashes them. Even outright theft of property may occur.

The National Institute on Financial Issues and Services for Elders, a Unit of the National Council on the Aging, says to watch for these signs of financial abuse:

- The elderly person's living conditions are well below his or her financial resources.
- Unusual or inappropriate bank account activity is reported.
- Frequent checks for cash are written to a caregiver or financial professional.
- Bills go unpaid or are overdue when someone is supposed to be paying them.
- The elderly person transfers title of his or her home or other assets for no apparent reason.
- Large, frequent gifts are made to a caregiver.
- The person is reluctant to talk about once-routine topics.
- Personal belongings are missing.
- Attempts are made by a caregiver, friend, or relative to isolate the person from others.
- Changes are made in a will when the person appears to be incapacitated.
- The older person takes out large, unexplained loans.
- A live-in caregiver refuses to leave or is evasive about financial arrangements.

Often, the victim feels shame, especially when family members are involved, and consequently the crime goes unreported. However, steps can be taken to reduce the likelihood of financial abuse happening in the first place.

- ✓ Limit the power of attorney. A power of attorney, a legal document authorizing a person to perform certain legal or financial acts on someone else's behalf, is used to rob a person's financial assets. Be sure the agent is someone who can be trusted.
- ✓ Limit the powers the agent has under the power of attorney. A person can require the agent to provide an annual accounting of income and expenses to an outside party such as an attorney or financial planner.
- ✓ Involve several people. Major financial decisions for the elderly should be made only after consulting several trusted people, such as relatives and financial professionals.
- ✓ Have checks directly deposited. Direct deposit of Social Security checks, for example, reduces the opportunity for theft. However, the funds are still at risk if the abuser is a joint owner on the account.
- ✓ Use automatic bill paying. Routine bills can be automatically paid for elders from a checking or savings account. Or a bill-paying service can be hired.
- ✓ Communicate with the bank. Banks are often the first to see questionable financial activity and can alert the older person or a relative.
- ✓ Hire a geriatric care manager. These professionals often monitor an older person's complete care, including financial status, and can report any problems to relatives.
- ✓ Check references. Anyone hired to provide care should be thoroughly screened.
- ✓ Reduce isolation. Elderly people should be wary of a caregiver who tries to isolate them. It's tougher for a caregiver to commit fraud in a crowd, so the older person should keep in touch with friends and family members. If you live far away from a vulnerable relative, keep in contact with the relative's close friends, and neighbors.

By being aware of the signs of financial abuse and taking specific actions, the risks can be dramatically reduced or even prevented. If you suspect an elderly family member may be a victim of financial abuse, contact the Senior Info-Line at 800-451-8693.